

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
OCTOBER 16, 2019**

ITEM 4

SUBJECT

CONSIDERATION OF A RESOLUTION TO AMEND THE WATER RECYCLING
FUNDING PROGRAM GUIDELINES

DISCUSSION

The *Water Recycling Funding Program (WRFP) Guidelines* were written to administer bond funds approved by voters; most recently through Proposition 13 (2000), Proposition 50 (2002), Proposition 1 (2014), and Proposition 68 (2018). The WRFP Guidelines, in conjunction with the Clean Water State Revolving Fund (CWSRF) Policy and Intended Use Plan (IUP), set forth the requirements to obtain water recycling financing.

The State Water Resources Control Board (State Water Board) originally adopted the WRFP Guidelines on October 21, 2004 and has amended them periodically. The WRFP Guidelines were last amended on June 16, 2015.

The major changes proposed to the WRFP Guidelines include (1) removing references to specific funding sources, and instead applying eligibility requirements programmatically, (2) deleting language and provisions that are described in the CWSRF Policy and therefore redundant, (3) redefining construction grant calculations, (4) shifting the setting of grant maximums annually to the CWSRF IUP instead of the WRFP Guidelines, and (5) adding guidance regarding recycled water research and recycled water pilot projects.

The Division of Financial Assistance (Division) provided stakeholders and interested parties an opportunity to comment on the draft amended WRFP Guidelines; comments were accepted from August 9, 2019 to noon, September 12, 2019. In addition, staff conducted three informational workshops to discuss the proposed changes to the WRFP Guidelines. These workshops were held in Sacramento on August 16, 2019, Fresno on August 20, 2019, and Orange County on August 22, 2019. The Sacramento workshop was also webcasted to allow stakeholders to participate remotely.

POLICY ISSUE

Should the State Water Board adopt the proposed amended WRFP Guidelines to guide implementation of the WRFP funding?

FISCAL IMPACT

The changes to the WRFP Guidelines will assist the Division in committing and disbursing funds in the WRFP. There is currently approximately \$100 million in Prop 1 funds and \$74 million in Prop 68 that will be affected by the changes to the WRFP Guidelines.

REGIONAL BOARD IMPACT

The amended WRFP Guidelines will continue to support implementation of Regional Water Board basin plans and recycled water efforts.

STAFF RECOMMENDATION

The State Water Board should adopt the proposed amended WRFP Guidelines to guide implementation of the WRFP.